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ARIZONA CORPORATION COMMISSION

October 18, 2010

CERTIFIED MAIL

Lawrence V. Robertson, Jr., Esq.
Goodman Water Company
PO Box 1448
Tubac, Arizona 85646

RE: GOODMAN WATER COMPANY – APPLICATION FOR A RATE INCREASE
DOCKET NO. W-02500A-10-0382

LETTER OF INSUFFICIENCY

Dear Mr. Robertson:

This letter (per section R14-2-103.B.7 of the Arizona Administrative Code) is to inform you that your application, received on September 17, 2010; did not meet the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103. Staff found a number of deficiencies with the application which are listed on a separate attachment. The 30-day sufficiency determination period will begin anew when the Company corrects the deficiencies and Docket control receives the original and 15 copies of the corrected pages.

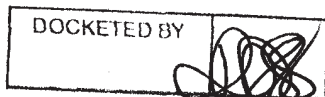
You have 15 calendar days, or until October 30, 2010, to correct the deficiencies, or make other arrangements with Staff to remedy your rate application. If corrections or other arrangements are not made by that date, Staff will request that the docket number be administratively closed. Docket Control will retain one copy of the original application for Commission records. You may file original and 15 copies of an updated application at a later date.

The Staff person assigned to your application is Gary T. McMurry. He can be reached at (602) 542-2044, or toll free at (800) 222-7000, if you have any questions or concerns.

Arizona Corporation Commission

DOCKETED

OCT 18 2010



NLS:GTM:red

CC: Docket Control Center (fifteen copies)
Connie Walczak, Consumer Services
Delbert Smith, Engineering
Lyn Farmer, Hearing Division

Sincerely,

A handwritten signature in cursive script that reads "Nancy Scott".

Nancy L. Scott, Esq.
Chief, Financial & Regulatory Analysis Section
Utilities Division

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2010 OCT 18 A 11:25

RECEIVED

Goodman Water Company
Docket No. W-02500A-10-0382
Application for rate increase
Deficiency List
October 18, 2010

1. On schedule H-3 page two the tier one rate for the 1" and 1.5" meters is \$3.95, the correct tier one rate should be \$5.91.
2. Schedules B-1 and B-2 indicate no Contributions in aid of Construction ("CIAC"), only Advances in aid of Construction ("AIAC"). Schedule A-5 however shows yearly receipts of CIAC and Schedule B-2 p.5 shows \$1,471,334 in CIAC. Please explain and reconcile this apparent discrepancy.
3. On Schedule B-2 p.5 it shows -0- for the book value for AIAC yet schedule B-1 shows balances for AIAC of \$2,101,905.
4. On Schedule B-2 page 3.3 the 2007 plant retirement of \$6,580 in meters is improperly added to rather than subtracted rate base.
5. Because of the overstatement of the meters account in 2007 (see #5), depreciation expense and accumulated depreciation are overstated in the test year.